

News Release

March 1, 2010

Sumitomo Metal Mining Co., Ltd.

**SMM Accepts Equity Financing by JOGMEC in New Subsidiary  
Undertaking Nickel Exploration in the Solomon Islands**

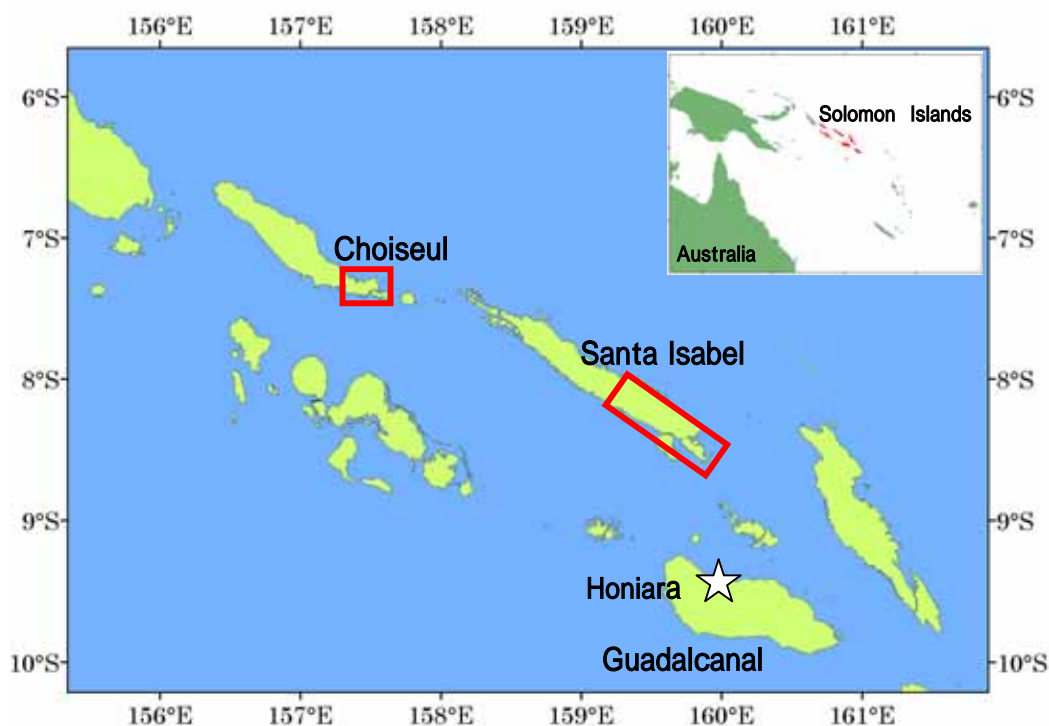
Sumitomo Metal Mining Co., Ltd. (SMM) is pleased to announce its decision to accept equity participation by Japan Oil, Gas and Metals National Corporation (JOGMEC), an independent administrative institution, in the company's exploration subsidiary recently established to develop nickel mining in the Solomon Islands. The equity financing arrangement takes effect from March 1.

SMM has been exploring for nickel in the Solomon Islands since acquiring exploratory rights on the islands of Choiseul and Santa Isabel in 2006 and 2007, respectively; applications for those rights had been submitted in 2004 and 2005. To date the eastern sections of both islands have been shown to yield deposits of limonite ore, which is generally recognized as a deposit of laterite nickel. Saprolite ore containing high-grade nickel has also been found.

JOGMEC's equity participation serves as a clear demonstration of the project's status as a nationally supported undertaking, and SMM anticipates JOGMEC's involvement will facilitate even smoother implementation of the project in various ways, including enhanced relations with the government of the Solomon Islands.

Under 2009 3-year Business Plan SMM has set a long-range target of a nickel production structure of 150,000 t/yr. The exploratory project in the Solomon Islands is part of the company's strategy for achieving that goal.

### Project Location:



### Profile of New Exploration Subsidiary

- Company name : Sumiko Solomon Exploration Co., Ltd.
- Capitalization: 200 million yen (capital reserve: 200million yen )
- Ownership and investment outlay: SMM70%,280million yen; JOGMEC30%,120million yen
- Location of head office: 11-3, Shimbashi 5-chome,Minato-ku, Tokyo
- President: Yukio Kawaguchi(SMM Managing Executive Officer)
- Date of establishment: February 22, 2010
- Date of JOGMEC participation: March 1, 2010

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